

1956

REPORT

of the

President and Directors

of the

Atlanta and West Point
Rail Road Company

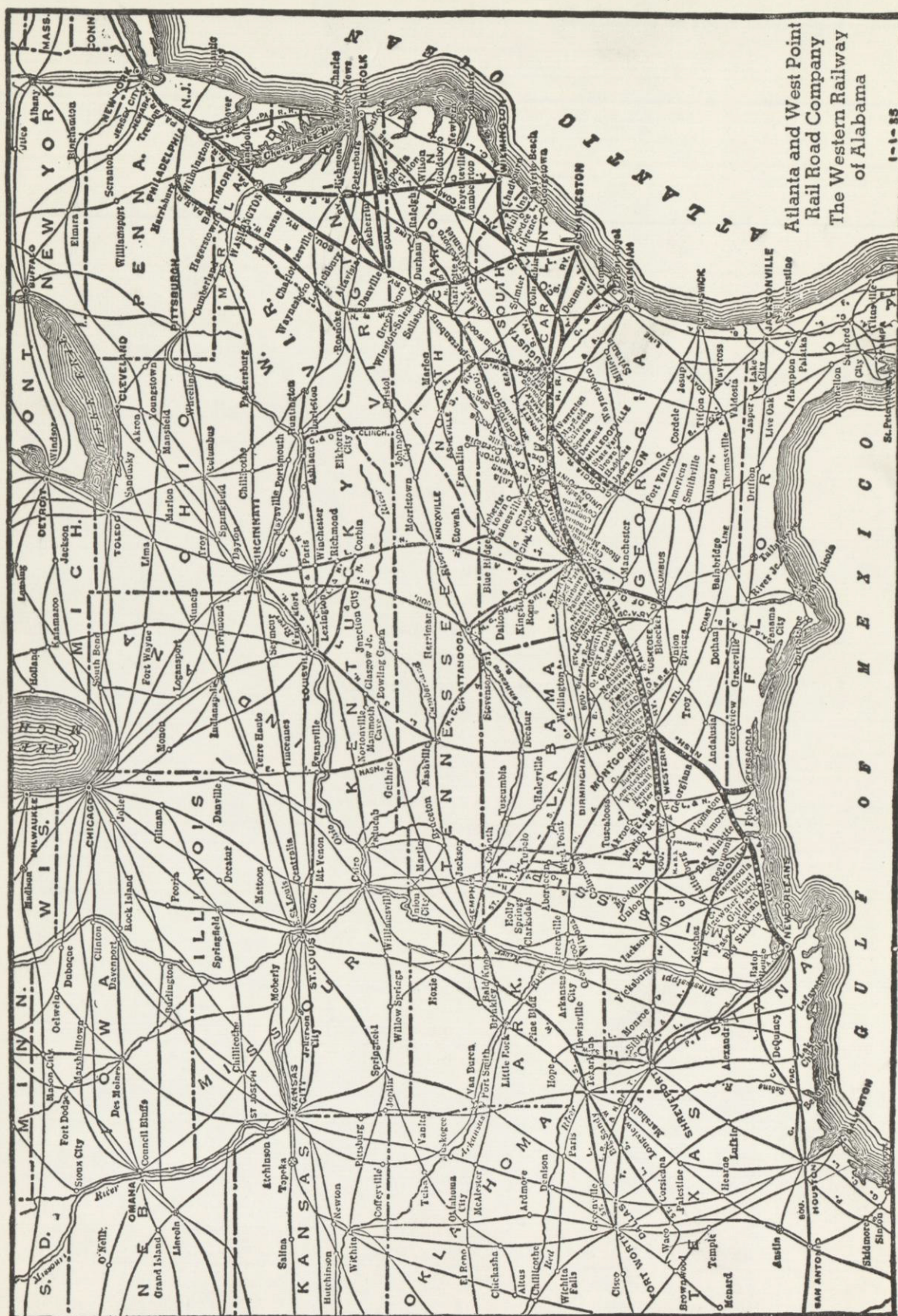
to the

Stockholders in Convention

For the Year Ended December 31, 1956

BOARDS

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DIRECTORS FOR THE YEAR

C. McD. Davis.

E. G. Cole, Jr.

William N. Banks.

J. C. Mixon.

J. E. Tilford.

Joseph L. Lanier.

S. R. Young.

OFFICERS

J. C. Mixon, President and General Manager.

T. C. Bullard, Secretary and Treasurer.

Heyman, Abram and Young, General Counsel.

B. A. Culpepper, General Auditor.

E. J. Haley, General Superintendent.

Marshall L. Bowie, Director of Personnel.

J. B. Wilson, Chief Engineer.

J. B. Pace, Purchasing Agent.

M. M. Albright, Jr., Freight Traffic Manager.

W. W. Snow, Passenger Traffic Manager.

E. S. Center, Jr., General Development and
Real Estate Agent.

Office

4 Hunter St., S.E.

Atlanta 3, Ga.

COMPARATIVE SUMMARY OF OPERATING AND CORPORATE RESULTS, AND FINANCIAL POSITION

SOURCE OF INCOME	1956	1955	Increase or Decrease	
			Amount	Percent
Income:				
Freight.....	\$ 3,001,664	\$ 2,584,637	\$ 417,027	16.13
Passenger.....	364,753	331,910	32,843	9.90
Mail, express, and other operations.....	574,118	579,638	-5,520	-.95
Rent from equipment and joint facilities.....	-83,331	-95,940	12,609	13.14
Dividends, interest, and miscellaneous income.....	88,615	81,909	6,706	8.19
TOTAL.....	\$ 3,945,819	\$ 3,482,154	\$ 463,665	13.32
CHARGES AGAINST INCOME				
Railway tax accruals.....	\$ 250,760	\$ 173,069	\$ 77,691	44.89
Operating expenses:				
Superintendence.....	\$ 153,860	\$ 140,880	\$ 12,980	9.21
Locomotive fuel used.....	184,130	151,424	32,706	21.60
Repairs to equipment.....	557,909	474,194	83,715	17.65
Depreciation and retirements.....	239,526	230,744	8,782	3.81
Outside traffic agencies.....	130,484	114,134	16,350	14.33
Casualty, and loss and damage.....	36,381	37,235	-854	-2.29
Maintaining and operating joint facilities.....	867,485	662,234	205,251	30.99
Other operating expenses including wages, materials used, etc.	1,413,576	1,236,485	177,091	14.32
TOTAL.....	\$ 3,583,351	\$ 3,047,330	\$ 536,021	17.59
Other deductions from income:				
Interest on debt.....	\$ 34,721	\$ 25,766	\$ 8,955	34.76
Taxes on non operating property.....	9,982	10,259	-277	-2.70
Miscellaneous.....	991	543	448	82.50
TOTAL.....	\$ 45,694	\$ 36,568	\$ 9,126	24.96
TOTAL CHARGES AGAINST INCOME.....	\$ 3,879,805	\$ 3,256,967	\$ 622,838	19.12
NET INCOME.....	\$ 66,014	\$ 225,187	\$ -159,173	-70.68
Dividends to shareholders.....	\$ 73,908	\$ 73,908		
Amount available for debt reduction, improvements, and other purposes.....	\$ -7,894	\$ 151,279	\$ -159,173	-105.22
Net income per share.....	\$ 2.68	\$ 9.14	\$ -6.46	-70.68
Dividend payments per share.....	\$ 3.00	\$ 3.00		
FINANCIAL POSITION				
Total investments less recorded depreciation and amortization.....	\$ 7,321,269	\$ 6,755,542	\$ 565,727	8.37
Current assets.....	1,829,929	1,952,151	-122,222	-6.26
Deferred and unadjusted assets.....	234,071	374,807	-140,736	-37.55
Capital stock.....	2,463,600	2,463,600		
Long term debt.....	1,288,906	881,749	407,157	46.18
Current liabilities.....	550,185	633,507	-83,322	-13.15
Deferred and unadjusted liabilities.....	287,141	303,372	-16,231	-5.35
Corporate surplus.....	4,778,793	4,795,979	-17,186	-.36

—Decrease.

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EXECUTIVE OFFICE

Atlanta, Georgia, April 19, 1957

To the Stockholders:

The Board of Directors respectfully presents herein report of Atlanta and West Point Rail Road Company for the year ended December 31, 1956.

The operations, which produced a net income of \$66,014 as compared with \$225,187 in 1955, are summarized on the preceding page. Increases in revenues and expenses as shown, are attributable principally to a work stoppage of 56 days duration in 1955. Some increase in revenue is due to rate increases which were granted, but they were too late and in insufficient amount to offset the effect upon expenses of the rise in costs of materials, wages and payroll taxes.

Unit comparisons between the years 1956 and 1955 are out of usual relationship because of interruptions in normal business during the year 1955. In 1955 was recorded as income \$60,899 representing an operating loss carry-back for income taxes to the year 1952. Of this amount we have been able to sustain only \$31,160.

Operating revenues and expenses increased \$508,935 and \$536,021, or 14% and 17%, respectively, compared with 1955.

Freight rates, with some exceptions, were increased 6% on interstate shipments effective March 7 but we were unable to secure similar increases in Georgia intrastate rates until December 1, 1956. In September 1956 railroads in Eastern and Western territories filed petitions with the Interstate Commerce Commission requesting them to institute an investigation into the adequacy of all railroad freight rates and charges, and requested an increase of 15% in their freight rates and in interterritorial rates between their territories and the Southern territory. Subsequently they requested an emergency increase of 7% to be effective immediately. On November 14 Southern lines filed a similar petition for a 7% emergency increase, with certain exceptions. This led to the granting of an increase in interterritorial rates of 5%, with exceptions, effective December 28, 1956. At the end of the year no action had been taken on the request of Southern lines for the emergency increase on other rates. This petition was partially granted and a 5% increase, with exceptions, was made effective February 23, 1957.

Passenger rates in interstate traffic were allowed to increase 5% effective May 15, but a similar increase in Georgia intrastate fares was not permitted until November 15, 1956.

Revenues in 1956 were also adversely affected by the strike of a large steel plant in the Birmingham area which continued for more than three months, and the nation-wide steel strike simultaneously for more than one month. This affected shipments of steel and many allied products.

The cost of labor charged to operating expenses increased during the year, resulting from general wage increases awarded railway employees throughout the industry. Such increases largely offset economies effected by the Railroad. Payments for retirement and unemployment insurance for the benefit of employees and their dependents amounted to \$113,175 during the year.

Tax accruals for 1956 amounted to \$260,741 which was equal to 3.57 times the dividends paid to shareholders and about 3.95 times the net income.

Dividends amounting to \$3 a share were paid in each of the two years under review.

The long term indebtedness of the Company, as represented by conditional sale agreements covering equipment purchased, was increased by \$513,345 during the year. This additional indebtedness was occasioned by acquisition of 14 rebuilt gondola cars and 66 new box cars. Payments in 1956 amounting to \$106,188 reduced equipment obligations so that at the close of the year the balances outstanding aggregated \$1,288,906, of which \$120,584 is due in 1957.

Capital expenditures in recent years for improvements to your properties continued to play an important part in affording reduction of expenses and enabling better control of operating costs. Such expenditures aggregated \$4,914,761 for the years 1946 through 1956, or 65.57% of total investments as of 1945. For the year 1956 the expenditures approximated \$813,249.

Investment in property devoted to transportation, including value of materials and supplies and cash, was \$11,572,569 at the close of 1956, an increase of \$576,216 compared with 1955. Such investments, less recorded depreciation and amortization, were \$7,999,316. The average rate of return on investment shown was .83% compared with 3.05% in 1955.

Failure to realize an adequate return on investment is typical of the experience of Class I railroads generally. By contrast, other enterprises such as manufacturing, mining, wholesale and retail establishments, and public utilities, consistently earn much higher rates of return on investment. Railroads are still subjected to outmoded monopoly regulations, although they now face vigorous competition by highway, waterway and air which enjoys preferential treatment, including subsidies from the public.

MILEAGE OPERATED

Miles of road operated at December 31, 1956, were as follows:

MAIN LINE:

Atlanta to West Point, Ga.

Owned—Property deeded.....	85.72	
Less—Leased to Atlanta Terminal Company.....	0.10	85.62
Hulsey Junction to Oakland City—Owned property deeded.....		5.16 90.78

TRACKAGE RIGHTS:

Atlanta Terminal Company, Atlanta, Ga.....	0.46	
Central of Georgia Railway, Oakland Junction, Ga.....	0.05	
Georgia Railroad, Atlanta Joint Terminals.....	2.02	2.53
Total mileage operated.....		93.31

Total mileage operated in freight and passenger service was 90.44 and 86.08 miles, respectively.

INVESTMENT—ROAD AND EQUIPMENT

Changes in road and equipment accounts are summarized as follows:

	Total	Road	Equipment	General Expenditures
Balance, January 1, 1956.....	\$ 9,853,960	\$ 5,305,867	\$ 4,433,052	\$ 115,041
Additions during year.....	813,249	84,703	728,546	
Total.....	\$ 10,667,209	\$ 5,390,570	\$ 5,161,598	\$ 115,041
Retirements.....	315,098	12,382	302,714	2
Balance, December 31, 1956.....	\$ 10,352,111	\$ 5,378,188	\$ 4,858,884	\$ 115,039
Less—Donations and Grants.....	66,262			
Investment in transportation property.....	\$ 10,285,849			

Principal additions to property consisted of the following:

ROAD:				
Installation of signals to protect crossings.....			\$	7,586
Installation of heavier rail and track material.....				68,903
Total.....			\$	76,489
EQUIPMENT:				
Purchase of twenty-eight gondola cars.....			\$	97,034
Purchase of sixty-six box cars.....				463,825
Conversion of seventy-two box cars to woodrack cars.....				59,571
Diesel electric locomotive replacement units.....				46,505
Total.....			\$	666,935

The principal retirements during the year include fifty-six freight cars aggregating \$167,506, and five passenger cars amounting to \$86,444.

This property was adequately maintained during 1956, and its general condition at the close of the year compared favorably with that of previous years.

TAXES

The following shows amounts of various taxes accrued compared with preceding year:

	1956	1955	Increase —Decrease	
			Amount	Per Cent
UNITED STATES GOVERNMENT TAXES:				
Adjustment of prior years income tax accruals.....	\$ 43	\$ —63,113	\$ 63,156	100.07
Retirement.....	91,269	78,650	12,619	16.04
Unemployment insurance.....	21,906	6,293	15,613	248.10
Other.....	2,541	2,335	206	8.82
Total.....	\$ 115,759	\$ 24,165	\$ 91,594	379.04
STATE AND LOCAL TAXES:				
Adjustment of prior years income tax accruals.....	\$ —8	\$ —8	\$ —8	100.00
Property.....	106,622	124,021	—17,399	14.03
Sales and use.....	25,285	21,802	3,483	15.98
Other.....	3,101	3,081	20	0.65
Total.....	\$ 135,000	\$ 148,904	\$ —13,904	9.34
Total railway tax accruals.....	\$ 250,759	\$ 173,069	\$ 77,690	44.89
Taxes on non-operating property.....	9,982	10,259	—277	2.70
Total all taxes.....	\$ 260,741	\$ 183,328	\$ 77,413	42.23

In the determination of taxable income a benefit is reflected of approximately \$31,000 for 1956 and \$88,000 for 1955, resulting from deductions for amortization in excess of normal depreciation on emergency defense facilities. The accumulated benefit thus derived to December 31, 1956 is \$400,000. Under accounting rules of Interstate Commerce Commission such amortization subsequent to January 1, 1950, in excess of normal depreciation, is not chargeable to income.

The election to claim accelerated amortization of a portion of the cost of defense facilities as a deduction for income tax purposes during the first five years of their service use, results in smaller charges for income taxes during such period but greater taxes, in relation to income, thereafter.

EXPENSES

Operating expenses amounted to \$3,583,351 during 1956 as compared with \$3,047,330 for the preceding year, or an increase of \$536,021.

As previously mentioned in this report the work stoppage of fifty-six days reduced expenses in 1955 and caused the comparative figures for 1956 to show large increases. In addition, 1956 expenses were influenced further by higher wage schedules, additional fringe benefits and increased prices of material.

The ratio of operating expenses to operating income increased 2.9% compared with the preceding year.

Comparative ratios of expenses to revenues for each of the past five years are as follows:

	1956	1955	1954	1953	1952
Maintenance of way and structures.....	13.64	13.48	13.71	15.36	12.26
Maintenance of equipment.....	19.26	19.34	16.94	16.97	16.06
Traffic.....	5.05	5.06	4.64	4.23	4.00
Transportation.....	43.40	41.25	43.00	40.35	42.15
Miscellaneous operations.....	1.40	1.35	1.53	1.56	1.72
General.....	5.25	5.05	5.04	4.69	4.68
Total.....	88.00	85.53	84.86	83.16	80.87

LABOR RELATIONS AND WAGES

During the year this Company was served notices by various labor organizations for increases in pay and certain fringe benefits. Following extended negotiations on a National basis, the Class I railroads of the United States, including this Company, signed an agreement with the nonoperating organizations under which wages were increased 10 cents an hour effective November 1, 1956, with an additional amount for extension of health and welfare benefits payable by this Company equivalent to approximately two and one-half cents an hour effective the same date. The agreement provides for further wage increases of 7 cents an hour effective November 1, 1957 and the same amount effective November 1, 1958. There is a further provision in such agreement under which wages will be adjusted every six months beginning May 1, 1957, at rate of one cent an hour for each half point change in Consumers' Price Index of the Bureau of Labor Statistics of the United States Department of Labor; however, no reduction may be made below the base rates in effect on November 1, 1956. Demands made by Brotherhood of Locomotive Firemen and Enginemen were settled on substantially the same basis. Demands of the other operating organizations were still pending at the close of the year.

AGRICULTURE AND INDUSTRIAL

Additional acreage, particularly of marginal land, is being devoted to the growth of trees for permanent support of the pulp industry. We have continued our cooperation in the development of an improved rural economy.

During the year 1956, six industries established locations or expanded their operations along the Atlanta and West Point Rail Road. Among the largest of these is a paper converting plant at Newnan, which is now operating in temporary quarters but has purchased substantial acreage and expects to proceed with a new plant involving a million dollars or more during 1957. Another large enterprise is now engaged in the construction of a plant at College Park, Ga., the cost of which will be in excess of three-quarters of a million dollars. A large plant is in the course of construction at LaGrange, which will employ approximately 200 people. When the new plants are in operation it is estimated that in excess of 1,000 carloads of additional traffic will be developed annually.

The West Point is receiving many inquiries from firms interested in new locations and anticipates continued industrial expansion in 1957. Great possibilities are foreseen for South Fulton County. A new four-lane highway which will intersect our railroad near Red Oak, together with recent authorization for extension of water and natural gas lines along our rails, will hasten industrial activities in this locality. Support and cooperation by many communities and business groups to promote and encourage the location of new industries are proving helpful to the company.

GENERAL

An examination of the accounts of the Company has been made by Messrs. Haskins & Sells, Certified Public Accountants, whose certificate appears in this report.

Your Board and management pays grateful acknowledgement to those employees who have served faithfully and well, and to the loyal and capable support of our managerial staff.

By order of the Board:

J. C. MIXON,
President and General Manager.

HASKINS & SELLS

ACCOUNTANTS

HEALEY BUILDING

ATLANTA 3

ACCOUNTANTS' CERTIFICATE

Atlanta and West Point Rail Road Company:

We have examined the balance sheet of Atlanta and West Point Rail Road Company as of December 31, 1956 and the related statements of income and of earned surplus - unappropriated for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the accompanying balance sheet and statements of income and of earned surplus - unappropriated present fairly the financial position of the Company at December 31, 1956 and the results of its operations for the year then ended, in conformity with principles of accounting prescribed or authorized by the Interstate Commerce Commission.

Haskins & Sells

April 15, 1957.

COMPARATIVE GENERAL BALANCE SHEET

ASSETS

	December 31	
	1956	1955
INVESTMENTS:		
701 Road and equipment property:		
Road.....	\$ 5,378,188.61	\$ 5,305,867.23
Equipment.....	4,858,883.47	4,433,051.77
General expenditures.....	115,038.79	115,041.09
702½ B Donations and grants.....	—66,261.75	—66,080.86
Investment in transportation property.....	\$10,285,849.12	\$ 9,787,879.23
702½ C Accrued depreciation—Road.....	—1,664,662.66	—1,640,402.38
702½ D Accrued depreciation—Equipment.....	—1,670,688.52	—1,693,175.95
702½ F Accrued amortization of defense projects (Prior to January 1, 1950)—Equipment.....	—237,901.45	—277,286.65
Investment in transportation property less recorded dep- reciation and amortization.....	\$ 6,712,596.49	\$ 6,177,014.25
705 Miscellaneous physical property.....	\$ 397,726.53	\$ 364,548.58
705½ Accrued depreciation—Miscellaneous physical property.....	—151,701.50	—148,083.74
Miscellaneous physical property less recorded depreciation.....	\$ 246,025.03	\$ 216,464.84
706 Investments in affiliated companies:		
Atlanta Terminal Co.—Stock.....	\$ 50,000.00	\$ 50,000.00
The Pullman Co.—Stock.....	21,645.00	21,645.00
Atlanta Terminal Co.—Open advances.....	155,120.65	154,214.60
Total.....	\$ 226,765.65	\$ 225,859.60
707 Other investments—Miscellaneous.....	\$ 135,881.89	\$ 136,202.89
Total investments less recorded depreciation and amortization.....	\$ 7,321,269.06	\$ 6,755,541.58
CURRENT ASSETS:		
708 Cash.....	\$ 470,944.07	\$ 455,717.15
709 Temporary cash investments.....	758,605.54	723,495.00
714 Net balance receivable from agents and conductors.....	75,841.76	91,261.45
715 Miscellaneous accounts receivable:		
U. S. Government—Post Office Department.....	\$ 35,373.13	\$ 33,719.84
Railway Express Agency, Inc.....	19,929.95	18,077.04
Total.....	\$ 55,303.08	\$ 51,796.88
716 Material and supplies:		
Road stock.....	\$ 190,396.63	\$ 290,573.09
General store stock.....	133,180.84	180,518.06
Fuel stock.....	9,428.49	9,549.37
Other.....	51,759.31	46,256.22
Total.....	\$ 384,765.27	\$ 526,896.74
717 Interest and dividends receivable.....	\$ 1,813.37	\$ 1,813.85
718 Accrued accounts receivable:		
Estimated passenger traffic receivable.....	\$ 22,500.00	\$ 25,000.00
Unreported freight revenue.....	42,145.77	67,308.30
Miscellaneous.....	8,010.60	8,861.43
Total.....	\$ 72,656.37	\$ 101,169.73
Total current assets.....	\$ 1,819,929.46	\$ 1,952,150.80
DEFERRED ASSETS:		
720 Working fund advances.....	\$ 1,931.06	\$ 1,784.60
722 Other deferred assets.....	7,267.35	30,316.21
Total deferred assets.....	\$ 9,198.41	\$ 32,100.81
UNADJUSTED DEBITS:		
723 Prepayments.....	\$ 905.39	\$ 1,598.76
727 Other unadjusted debits.....	223,966.98	341,106.98
Total unadjusted debits.....	\$ 224,872.37	\$ 342,705.74
TOTAL.....	\$ 9,375,269.30	\$ 9,082,498.93

—Minus

COMPARATIVE GENERAL BALANCE SHEET
LIABILITIES

	December 31	
	1956	1955
STOCK:		
751 Capital stock—Outstanding	\$ 2,463,600.00	\$ 2,463,600.00
LONG TERM DEBT:		
756½ Equipment obligations (\$120,584 due in 1957)	\$ 1,288,905.69	\$ 881,749.00
CURRENT LIABILITIES:		
759 Traffic and car-service balances—Credit	\$ 211,465.77	\$ 300,167.12
760 Audited accounts and wages payable—Audited vouchers	221,800.00	187,962.81
761 Miscellaneous accounts payable:		
Agents drafts	\$ 6,093.57	\$ 3,924.96
The Western Railway of Alabama	21,739.28	65,405.21
Tax on transportation of passengers	2,696.78	3,629.40
Tax on transportation of property	11,556.95	13,449.35
Georgia Sales Tax Collected	247.79	98.10
Income Tax withheld on dividends		22.50
Total	\$ 42,334.37	\$ 86,529.52
763 Dividends matured unpaid	\$ 4,697.00	\$ 7,783.00
764 Unmatured interest accrued	1,102.76	1,349.59
766 Accrued accounts payable:		
Interest on Atlanta Terminal Co's. 1st Mortgage 4% bonds	\$ 2,940.00	\$ 2,940.00
Pullman Company contract	1,378.02	867.40
Employee vacations accrued	57,149.00	55,487.00
Miscellaneous	36,681.70	47,899.60
Total	\$ 98,148.72	\$ 107,194.00
767 Taxes accrued (debit balance represents principally claim for refund of income tax)	\$ —29,363.35	\$ —57,478.87
Total current liabilities	\$ 550,185.27	\$ 633,507.17
DEFERRED LIABILITIES:		
770 Other deferred liabilities	\$ 6,644.01	\$ 4,292.01
UNADJUSTED CREDITS:		
773 Insurance reserves	\$ 136,837.34	\$ 151,005.98
778 Other unadjusted credits	150,303.96	152,366.02
Total unadjusted credits	\$ 287,141.30	\$ 303,372.00
SURPLUS:		
784 Unearned surplus	\$ 19,816.94	\$ 19,677.08
785 Earned surplus—Appropriated	237,745.83	237,745.83
786 Earned surplus—Unappropriated	4,521,230.26	4,538,555.84
Total surplus	\$ 4,778,793.03	\$ 4,795,978.75
TOTAL	\$ 9,375,269.30	\$ 9,082,498.93

NOTE.—Under an agreement dated August 1, 1939 between Atlanta and West Point Rail Road Company, Southern Railway Company, and H. D. Pollard, as Receiver of the property of Central of Georgia Railway Company and not individually, this Company jointly and severally unconditionally guarantees the payment of principal and interest on Atlanta Terminal Company's First Mortgage Bonds, Series A, 4%, dated August 1, 1939, due August 1, 1969, in the amount of \$1,600,000.00, reduced through the medium of a sinking fund to \$941,000.00 at December 31, 1956.

—Minus.

STATEMENT OF INCOME

OPERATING INCOME:	1956	1955	Increase or —Decrease
Railway Operating Income:			
501 Railway operating revenues.....	\$ 4,072,008.38	\$ 3,563,073.38	\$ 508,935.00
531 Railway operating expenses.....	3,583,351.06	3,047,329.97	536,021.09
Net revenue from railway operations.....	\$ 488,657.32	\$ 515,743.41	\$ —27,086.09
532 Railway tax accruals.....	250,759.83	173,068.79	77,691.04
Railway operating income.....	\$ 237,897.49	\$ 342,674.62	\$ —104,777.13
Rent Income:			
503 Hire of freight cars—Credit balance.....	\$ 29,575.14	\$ 9,132.43	\$ 20,442.71
504 Rent from locomotives.....	15,941.73	17,949.42	—2,007.69
505 Rent from passenger-train cars.....	124,167.86	108,606.22	15,561.64
507 Rent from work equipment.....	2,474.11	2,824.39	—350.28
508 Joint facility rent income.....	9,467.46	14,908.66	—5,441.20
Total rent income.....	\$ 181,626.30	\$ 153,421.12	\$ 28,205.18
Rents Payable:			
537 Rent for locomotives.....	\$ 21,245.71	\$ 22,846.93	\$ —1,601.22
538 Rent for passenger-train cars.....	95,963.52	81,932.25	14,031.27
540 Rent for work equipment.....	2,032.80	2,136.39	—103.59
541 Joint facility rents.....	277,188.72	209,334.00	67,854.72
Total rents payable.....	\$ 396,430.75	\$ 316,249.57	\$ 80,181.18
Net rents.....	\$ —214,804.45	\$ —162,828.45	\$ —51,976.00
Net railway operating income.....	\$ 23,093.04	\$ 179,846.17	\$ —156,753.13
OTHER INCOME:			
510 Miscellaneous rent income.....	\$ 28,196.76	\$ 23,713.06	\$ 4,483.70
511 Income from nonoperating property.....	25,813.07	23,196.91	2,616.16
513 Dividend income.....	4,925.00	3,170.00	1,755.00
514 Interest income.....	29,679.82	31,826.33	—2,146.51
519 Miscellaneous income.....		2.50	—2.50
Total other income.....	\$ 88,614.65	\$ 81,908.80	\$ 6,705.85
Total income.....	\$ 111,707.69	\$ 261,754.97	\$ —150,047.28
MISCELLANEOUS DEDUCTIONS FROM INCOME:			
543 Miscellaneous rents.....	\$ 218.56	\$ 176.26	\$ 42.30
544 Miscellaneous tax accruals.....	9,981.62	10,259.03	—277.41
551 Miscellaneous income charges.....	183.22	156.63	26.59
Total miscellaneous deductions.....	\$ 10,383.40	\$ 10,591.92	\$ —208.52
Income available for fixed charges.....	\$ 101,324.29	\$ 251,163.05	\$ —149,838.76
FIXED CHARGES:			
546 Interest on funded debt.....	\$ 34,721.03	\$ 25,765.65	\$ 8,955.38
548 Amortization of discount on funded debt.....	589.21	210.66	378.55
Total fixed charges.....	\$ 35,310.24	\$ 25,976.31	\$ 9,333.93
Balance of income transferred to Earned Surplus.....	\$ 66,014.05	\$ 225,186.74	\$ —159,172.69

—Minus

In the determination of taxable income a benefit is reflected of approximately \$31,000 for 1956 and \$88,000 for 1955, resulting from deductions for amortization in excess of normal depreciation on emergency defense facilities. The accumulated benefit thus derived to December 31, 1956 is \$400,000. Under the accounting rules of the Interstate Commerce Commission, amortization of emergency defense facilities subsequent to January 1, 1950 in excess of normal depreciation is not chargeable to income.

EARNED SURPLUS—UNAPPROPRIATED

CREDITS:

601 Balance—January 1, 1956.....			\$ 4,538,555.84
602 Credit balance transferred from income.....		\$ 66,014.05	
607 Miscellaneous credits:			
Excess of sale price over estimated salvage of steam locomotive sold.....	\$ 14,082.63		
Gain on sale of land for industrial pur- poses.....	9,515.75		
Other.....	49.32	23,647.70	89,661.75
Total credits.....			\$ 4,628,217.59

DEBITS:

614 Dividend appropriations of surplus:			
1 Per cent paid August 1, 1956.....	\$ 24,636.00		
2 Per cent paid December 20, 1956.....	49,272.00	\$ 73,908.00	
621 Miscellaneous debits:			
Adjustment of prior years federal income tax claim.....	\$ 29,738.94		
Dedication of land to Fulton County for road.....	3,197.14		
Other.....	143.25	33,079.33	
Total debits.....			106,987.33
601 Balance—December 31, 1956.....			\$ 4,521,230.26

OPERATING EXPENSES FOR THE YEARS 1956 AND 1955 AND COMPARISON

ACCOUNT	1956	1955	Increase or —Decrease
Maintenance of Way and Structures:			
201 Superintendence.....	\$ 29,469.08	\$ 26,635.86	\$ 2,833.22
202 Roadway maintenance.....	43,072.75	36,987.98	6,084.77
208 Bridges, trestles and culverts.....	6,894.03	3,585.43	3,308.60
212 Ties.....	91,491.91	81,064.11	10,427.80
214 Rails.....	—33,204.52	—5,461.95	—27,742.57
216 Other track material.....	7,369.43	15,479.12	—8,109.69
218 Ballast.....	15,640.87	11,270.93	4,369.94
220 Track laying and surfacing.....	98,367.01	85,375.13	12,991.88
221 Fences, snowsheds, and signs.....	2,710.10	1,597.10	1,113.00
227 Station and office buildings.....	9,743.68	11,769.19	—2,025.51
229 Roadway buildings.....	1,322.20	4,523.60	—3,201.40
231 Water stations.....		1,019.23	—1,019.23
233 Fuel stations.....		—247.02	247.02
235 Shops and enginehouses.....	22.54	24.74	—2.20
247 Communication systems.....	9,952.31	9,553.93	398.38
249 Signals and interlockers.....	21,996.00	19,600.42	2,395.58
257 Power-transmission systems.....		—34	34
265 Miscellaneous structures.....	87.06	97.98	—10.92
266 Road property—Depreciation:			
Engineering.....	1,105.92	1,320.12	—214.20
Grading.....	410.28	492.24	—81.96
Tunnels and subways.....	395.04	395.04	
Bridges, trestles and culverts.....	10,577.56	10,573.80	3.76
Rails.....	28,635.36	26,944.32	1,691.04
Other track material.....	15,988.68	14,833.68	1,155.00
Fences, snowsheds and signs.....	602.40	602.40	
Station and office buildings.....	6,662.16	6,606.56	55.60
Roadway buildings.....	254.04	258.28	—4.24
Water stations.....		97.95	—97.95
Fuel stations.....	134.04	326.34	—192.30
Shops and enginehouses.....	76.32	76.32	
Communication systems.....	1,374.00	1,374.00	
Signals and interlockers.....	4,181.72	4,056.54	125.18
Miscellaneous structures.....		383.88	—383.88
Roadway machines.....	2,656.56	2,784.72	—128.16
Public improvements—Construction.....	2,581.44	2,976.12	—394.68
267 Retirements—Road.....	3,599.29	1,147.11	2,452.18
269 Roadway machines.....	5,607.17	6,957.16	—1,349.99
270 Dismantling retired road property.....	3,187.61	57.85	3,129.76
271 Small tools and supplies.....	4,699.13	4,740.73	—41.60
273 Public improvements—Maintenance.....	10,521.04	7,445.58	3,075.46
274 Injuries to persons.....	2,073.23	6,295.73	—4,222.50
275 Insurance.....	154.64	51.82	102.82
276 Stationery and printing.....	656.86	417.20	239.66
277 Other expenses.....	4,057.22	3,333.34	723.88
278 Maintaining joint tracks, yards and other facilities—Debit.....	145,540.10	80,976.14	64,563.96
279 Maintaining joint tracks, yards and other facilities—Credit.....	—5,220.21	—8,121.35	2,901.14
Total.....	\$ 555,446.05	\$ 480,279.06	\$ 75,166.99
Maintenance of Equipment:			
301 Superintendence.....	\$ 18,784.62	\$ 17,719.73	\$ 1,064.89
302 Shop machinery.....		103.77	—103.77
306 Dismantling retired shop and power plant machinery.....		—17.62	17.62
311 Other locomotives—Repairs.....	217,586.45	148,749.05	68,837.40
314 Freight train cars—Repairs.....	214,669.59	222,535.11	—7,865.52
317 Passenger train cars—Repairs.....	122,434.13	97,755.99	24,678.14
326 Work equipment—Repairs.....	2,392.15	4,111.88	—1,719.73
328 Miscellaneous equipment—Repairs.....	826.23	1,042.07	—215.84
329 Dismantling retired equipment.....	—190.04		—190.04
330 Retirements equipment.....	—2,300.00		—2,300.00
331 Equipment—Depreciation.....	162,781.65	155,512.00	7,269.65
332 Injuries to persons.....	1,939.16	1,589.25	349.91
333 Insurance.....	2,001.11	2,947.41	—946.30
334 Stationery and printing.....	926.40	1,029.08	—102.68
335 Other expenses.....	6,784.76	4,494.54	2,290.22
336 Joint maintenance of equipment expenses—Debit.....	36,257.65	32,098.83	4,158.82
337 Joint maintenance of equipment expenses—Credit.....	—781.39	—458.04	—323.35
Total.....	\$ 784,112.47	\$ 689,213.05	\$ 94,899.42

—Minus

OPERATING EXPENSES FOR THE YEARS 1956 AND 1955 AND COMPARISON

ACCOUNT	1956	1955	Increase or —Decrease
Traffic:			
351 Superintendence.....	\$ 49,181.81	\$ 41,461.50	\$ 7,720.31
352 Outside agencies.....	130,484.20	114,134.44	16,349.76
353 Advertising.....	2,174.82	2,317.97	—143.15
354 Traffic associations.....	3,624.30	3,059.13	565.17
356 Industrial and immigration bureaus.....	7,670.75	7,108.60	562.15
357 Insurance.....	72.49	63.36	9.13
358 Stationery and printing.....	11,495.02	11,176.15	318.87
359 Other expenses.....	1,114.40	799.95	314.45
Total.....	\$ 205,817.79	\$ 180,121.10	\$ 25,696.69
Transportation—Rail Line:			
371 Superintendence.....	\$ 25,341.06	\$ 27,571.07	\$ —2,230.01
372 Dispatching trains.....	16,893.17	13,636.41	3,256.76
373 Station employees.....	157,094.45	139,791.17	17,303.28
374 Weighing, inspection and demurrage bureaus.....	10,955.83	9,509.77	1,446.06
376 Station supplies and expenses.....	7,214.07	6,894.13	319.94
377 Yard masters and yard clerks.....		300.00	—300.00
378 Yard conductors and brakemen.....	20,972.80	18,022.95	2,949.85
380 Yard enginemen.....	13,172.44	11,696.66	1,475.78
382 Yard switching fuel—Diesel.....	2,501.70	2,371.93	129.77
385 Water for yard locomotives.....	22.56	22.56	
386 Lubricants for yard locomotives.....	42.99	.27	42.72
387 Other supplies for yard locomotives.....	91.93	268.37	—176.44
388 Enginehouse expenses—Yard.....	1.00	286.87	—285.87
389 Yard supplies and expenses.....	3.01	5.54	—2.53
390 Operating joint yards and terminals—Debit.....	660,339.78	538,543.75	121,796.03
392 Train enginemen.....	166,698.86	142,616.42	24,082.44
394 Train fuel—Diesel.....	181,628.48	149,052.04	32,576.44
397 Water for train locomotives.....	463.67	561.04	—97.37
398 Lubricants for train locomotives.....	9,861.57	8,486.17	1,375.40
399 Other supplies for train locomotives.....	2,251.74	2,112.71	139.03
400 Enginehouse expenses—Train.....	79,578.80	68,079.76	11,499.04
401 Trainmen.....	228,427.52	194,415.39	34,012.13
402 Train supplies and expenses.....	77,962.79	56,092.38	21,870.41
403 Operating sleeping cars.....	24,077.20	10,782.33	13,294.87
404 Signal and interlocker operation.....	11,250.50	9,996.99	1,253.51
405 Crossing protection.....	15,947.94	14,249.54	1,698.40
407 Communication system operation.....	885.57	818.15	67.42
410 Stationery and printing.....	6,059.72	5,426.35	633.37
411 Other expenses.....	3,761.46	4,227.45	—465.99
412 Operating joint tracks and facilities—Debit.....	16,870.76	14,237.33	2,633.43
413 Operating joint tracks and facilities—Credit.....	—9,619.06	—12,257.67	2,638.61
414 Insurance.....	2,389.34	2,373.05	16.29
415 Clearing wrecks.....	1,692.86	192.28	1,500.58
416 Damage to property.....	4,521.81	6,440.53	—1,918.72
417 Damage to live stock on right of way.....	762.15	1,578.64	—816.49
418 Loss and damage—Freight.....	17,001.75	12,125.97	4,875.78
419 Loss and damage—Baggage.....	24.07	45.24	—21.17
420 Injuries to persons.....	10,058.87	9,159.38	899.49
Total.....	\$ 1,767,205.16	\$ 1,469,732.92	\$ 297,472.24
Miscellaneous Operations:			
441 Dining and buffet service.....	\$ 56,409.74	\$ 47,185.27	\$ 9,224.47
447 Operating joint miscellaneous facilities—Debit.....	386.49	979.03	—592.54
Total.....	\$ 56,796.23	\$ 48,164.30	\$ 8,631.93
General:			
451 Salaries and expenses of general officers.....	\$ 31,083.05	\$ 27,491.45	\$ 3,591.60
452 Salaries and expenses of clerks and attendants.....	121,398.97	99,451.78	21,947.19
453 General office supplies and expenses.....	9,345.19	10,107.10	—761.91
454 Law expenses.....	11,076.97	12,186.62	—1,109.65
455 Insurance.....	141.47	137.20	4.27
457 Pensions and gratuities.....	5,098.10	3,696.28	1,401.82
458 Stationery and printing.....	6,614.49	5,336.56	1,277.93
460 Other expenses.....	5,504.53	5,176.98	327.55
461 General joint facilities—Debit.....	23,710.59	16,235.57	7,475.02
Total.....	\$ 213,973.36	\$ 179,819.54	\$ 34,153.82
Total railway operating expenses.....	\$ 3,583,351.06	\$ 3,047,329.97	\$ 536,021.09
Ratio of operating expenses to operating revenues.....	88.00	85.53	2.47

—Minus

RAILWAY OPERATING REVENUES

YEAR ENDED DECEMBER 31	Freight	Passenger	Mail	Express	All Other Transportation Rail Line	Incidental	Joint Facility Credit	Joint Facility Debit	Total Railway Operating Revenues
1947	\$3,032,281.03	\$ 554,362.67	\$ 127,798.01	\$ 113,878.84	\$ 70,048.04	\$ 120,696.58	\$ 53,496.28	\$ 195.72	\$4,072,365.73
1948	3,395,083.28	625,978.02	152,943.63	103,215.19	91,230.52	134,255.82	66,161.28	194.61	4,568,673.18
1949	3,009,092.47	534,830.25	147,118.41	78,211.96	72,469.73	107,031.38	63,517.25	192.63	4,012,078.82
1950	3,293,085.21	512,001.76	243,694.14	82,002.43	69,524.22	117,291.30	58,520.20	210.25	4,376,909.01
1951	3,401,038.81	588,060.67	222,066.42	79,632.98	81,907.19	141,040.42	59,966.65	152.05	4,573,561.09
1952	3,379,936.88	573,169.23	198,339.86	137,701.96	78,769.58	123,780.07	64,020.99	225.96	4,555,492.61
1953	3,346,534.16	474,791.89	306,610.09	114,700.23	87,867.56	114,132.43	63,811.32	157.54	4,508,290.14
1954	2,860,359.99	412,063.17	253,152.81	130,254.01	80,948.13	96,418.72	58,553.64	160.23	3,891,590.24
1955	2,584,637.18	331,909.74	183,843.37	199,096.26	101,482.78	95,215.22	67,049.00	160.17	3,563,073.38
1956	3,001,663.72	364,751.65	208,691.30	195,818.83	73,892.28	95,717.03	131,763.45	289.86	4,072,008.38

RAILWAY OPERATING EXPENSES AND NET REVENUE FROM RAILWAY OPERATIONS

YEAR ENDED DECEMBER 31	Maintenance of Way and Structures	Maintenance of Equipment	Traffic	Transportation Rail Line	Miscellaneous Operations	General	Total Railway Operating Expenses	Net Revenue From Railway Operations	Ratio Operating Expenses to Operating Revenues
1947	\$ 485,395.58	\$ 580,186.21	\$ 157,343.73	\$2,020,599.68	\$ 84,166.53	\$ 170,266.02	\$3,497,962.75	\$ 574,402.98	85.90
1948	504,501.13	617,970.44	167,367.45	2,254,516.19	92,697.04	175,830.73	3,812,882.98	755,790.20	83.46
1949	456,782.20	591,883.61	167,437.74	1,987,240.29	89,151.56	191,169.40	3,483,664.80	528,414.02	86.83
1950	485,009.50	562,965.61	166,852.57	1,914,002.85	69,380.48	201,556.64	3,399,767.65	977,141.36	77.68
1951	566,605.57	672,898.02	187,535.84	1,955,573.57	78,163.85	220,908.55	3,681,685.40	891,875.69	80.50
1952	558,757.84	731,528.15	182,049.54	1,919,947.15	78,285.44	213,404.69	3,683,972.81	871,519.80	80.87
1953	692,467.38	765,262.19	190,626.51	1,819,125.14	70,208.99	211,582.96	3,749,273.17	759,016.97	83.16
1954	533,633.77	659,262.86	180,423.33	1,673,546.16	59,692.25	195,945.21	3,302,503.58	589,086.66	84.86
1955	480,279.06	689,213.05	180,121.10	1,469,732.92	48,164.30	179,819.54	3,047,329.97	515,743.41	85.53
1956	555,446.05	784,112.47	205,817.79	1,767,205.16	56,796.23	213,973.36	3,583,351.06	488,657.32	88.00

CLASSIFICATION OF FREIGHT TRAFFIC

COMMODITY		1956		1955		Increase or —Decrease Tons	
		No. of Tons 2,000 lbs.	P/C to Total Tons	No. of Tons 2,000 lbs.	P/C to Total Tons		
Products of Agriculture	Grain and products, hay, tobacco	38,486	1.51	40,776	1.85	—2,290	
	Cotton in bales	144,813	5.68	123,620	5.62	21,193	
	Linters, cottonseed, and products	44,456	1.74	50,198	2.28	—5,742	
	Fruits, fresh, and melons	23,583	0.93	21,705	0.99	1,878	
	Fruits, dried and frozen	1,569	0.06	1,980	0.09	—411	
	Coffee	3,912	0.15	2,856	0.13	1,056	
	Cabbage, celery, lettuce, onions	11,207	0.44	10,910	0.50	297	
	Potatoes, other than sweet	13,986	0.55	11,747	0.53	2,239	
	Tomatoes, vegetables, fresh	3,341	0.13	2,646	0.12	695	
	Vegetables, dried and frozen	2,874	0.11	3,068	0.14	—194	
	Peanuts	3,500	0.14	1,727	0.08	1,773	
	Other products of agriculture	2,221	0.09	4,310	0.20	—2,089	
Total		293,948	11.53	275,543	12.53	18,405	
Animals and Products	Cattle, calves, sheep and swine	3,795	0.15	2,085	0.09	1,710	
	Meat, margarine, poultry and eggs	8,988	0.35	6,126	0.28	2,862	
	Butter, cheese, dairy products	1,650	0.07	3,011	0.14	—1,361	
	Wool and mohair	42		106		—64	
	Hides and other products of animals	3,410	0.13	2,335	0.11	1,075	
Total		17,885	0.70	13,663	0.62	4,222	
Products of Mines	Coal and coke	52,283	2.05	50,394	2.29	1,889	
	Ores, iron, copper, lead, barytes	129,148	5.07	117,702	5.35	11,446	
	Clay, sand and gravel	257,430	10.10	295,455	13.44	—38,025	
	Stone and rock	260,380	10.22	189,419	8.62	70,961	
	Petroleum, crude	5		285	0.01	—280	
	Asphalt	17,606	0.69	20,578	0.94	—2,972	
	Salt	18,864	0.74	15,691	0.71	3,173	
	Phosphate rock	21,437	0.84	7,927	0.36	13,510	
	Sulphur	21,602	0.85	10,975	0.50	10,627	
	Products of mines, N. O. S.	23,996	0.94	18,942	0.86	5,054	
Total		802,751	31.50	727,368	33.08	75,383	
Products of Forests	Logs, posts, poles, wood fuel	2,246	0.09	2,537	0.12	—291	
	Ties, railroad	178	0.01	733	0.03	—555	
	Pulpwood	126,649	4.97	81,933	3.73	44,716	
	Lumber, shingles and lath	69,721	2.73	72,808	3.31	—3,087	
	Cooperage material, veneer, plywood	11,789	0.46	8,012	0.36	3,777	
	Rosin and turpentine	1,274	0.05	1,470	0.07	—196	
	Products of forests, N. O. S.	2,098	0.08	3,802	0.17	—1,704	
Total		213,955	8.39	171,295	7.79	42,660	
Manufactures and Miscellaneous	Gasoline, petroleum and gases	101,983	4.00	83,873	3.82	18,110	
	Oils, cottonseed, vegetable, etc.	31,068	1.22	23,761	1.08	7,307	
	Rubber, rubber goods, chemicals	56,138	2.20	57,530	2.62	—1,392	
	Sulphuric acid	75,781	2.97	63,793	2.90	11,988	
	Acids, sodium, alcohol	71,639	2.81	67,804	3.08	3,835	
	Fertilizers, N. O. S.	64,121	2.52	25,702	1.17	38,419	
	Tar, paint, drugs, toilet articles	9,682	0.38	5,276	0.24	4,406	
	Iron, pig, bar, nails, pipe, tanks	107,975	4.24	87,160	3.96	20,815	
	Agricultural implements, machinery	9,589	0.38	8,315	0.38	1,274	
	Vehicles, automobiles, airplanes	10,661	0.42	13,333	0.61	—2,672	
	Cement	99,979	3.92	89,902	4.09	10,077	
	Brick, artificial stone	38,965	1.53	36,798	1.67	2,167	
	Lime, plaster	7,429	0.29	8,577	0.39	—1,148	
	Woodpulp, rags, paper, pulpboard	211,124	8.28	161,277	7.34	49,847	
	Building Material	10,376	0.41	9,374	0.43	1,002	
	Glassware, refrigerators, stoves	23,954	0.94	18,888	0.86	5,066	
	Bagging, cotton factory products	34,598	1.36	32,627	1.48	1,971	
	Sugar	33,117	1.30	24,689	1.12	8,428	
	Candy, soap, tobacco, cigarettes	64,070	2.51	59,331	2.70	4,739	
	Scrap iron and steel, borings, etc.	24,939	0.98	20,253	0.92	4,686	
	Furnace slag	12,341	0.48	16,916	0.77	—4,575	
	Other manufactures and miscellaneous	99,830	3.92	75,415	3.43	24,415	
	Total		1,199,359	47.06	990,594	45.06	208,765
	Forwarder Traffic (C. L.)		404	0.02	576	0.03	—172
	GRAND TOTAL, CARLOAD TRAFFIC		2,528,302	99.20	2,179,039	99.11	349,263
	All L. C. L. Freight		20,345	0.80	19,528	0.89	817
	GRAND TOTAL, CARLOAD AND L. C. L. TRAFFIC		2,548,647	100.00	2,198,567	100.00	350,080

FREIGHT AND PASSENGER STATISTICS

FREIGHT TRAFFIC	1956	1955	Increase or Decrease	
			Amount	Percent
1 Number of tons carried.....	2,548,647	2,198,567	350,080	15.92
2 Number of tons carried one mile.....	171,879,535	147,244,337	24,635,198	16.73
3 Number of tons per mile of road (Average).....	28,180	24,310	3,870	15.92
4 Number of tons carried one mile per mile of road.....	1,900,481	1,628,088	272,393	16.73
5 Number of tons in each train (Average).....	750.71	732.61	18.10	2.47
6 Number of tons in each loaded car (Average).....	26.22	25.62	0.60	2.34
7 Average distance one ton carried (Miles).....	67.44	66.97	0.47	.70
8 Revenue per ton per mile.....	\$ 0.01746	\$ 0.01755	\$ -0.00009	.51
9 Revenue per mile of road.....	33,189.55	28,578.47	4,611.08	16.13
10 Revenue per freight train mile.....	15.33	15.29	0.04	.26
11 Revenue per freight car mile—Loads.....	0.53549	0.53471	0.00078	.15
12 Revenue per freight car mile—Total.....	0.37279	0.36994	0.00285	.77
13 Revenue per ton.....	1.18	1.18		
PASSENGER TRAFFIC				
1 Number of passengers carried.....	150,784	138,564	12,220	8.82
2 Number of passengers carried one mile.....	12,573,132	11,636,522	936,610	8.05
3 Number of passengers per mile of road (Average).....	1,752	1,610	142	8.82
4 Number of pass. carried one mile per mile of road.....	146,063	135,183	10,880	8.05
5 Number of passengers in each train (Average).....	68	83	-15	18.07
6 Number of passengers in each car (Average).....	12	13	-1	7.69
7 Average distance each passenger (Miles).....	83.39	83.98	-0.59	.70
8 †Passenger service train revenue per mile of road.....	\$ 8,951.17	\$ 8,317.16	\$ 634.01	7.62
9 †Passenger service train revenue per pass. train mile.....	4.09	4.55	-0.46	10.11
10 †Passenger service train revenue per pass. car mile.....	0.38646	0.41985	-0.03339	7.95
11 *Revenue per passenger per mile.....	0.02901	0.02852	0.00049	1.72
12 *Revenue per passenger.....	2.42	2.40	0.02	.83
ALL TRAFFIC				
Railway operating revenues per mile of road.....	\$ 43,639.57	\$ 38,185.33	\$ 5,454.24	14.28
Railway operating revenues per revenue train mile.....	10.60	10.92	-0.32	2.93
Railway operating expenses per mile of road.....	\$ 38,402.64	\$ 32,658.12	\$ 5,744.52	17.59
Railway operating expenses per revenue train mile.....	9.33	9.34	-0.01	.11
Per cent of railway operating expenses to oper. revenue.....	88.00	85.53	2.47	2.89
Net revenue per mile of road.....	\$ 5,236.92	\$ 5,527.20	\$ -290.28	5.25
Net revenue per revenue train mile.....	1.27	1.58	-0.31	19.62
Per cent of net revenue to total revenue.....	12.00	14.47	-2.47	17.07
Railway operating expenses and taxes per mile of road.....	\$ 41,090.03	\$ 34,512.90	\$ 6,577.13	19.06
Railway operating expenses and taxes per rev. train mile.....	9.98	9.87	0.11	1.11
Per cent of operating expenses and taxes to total revenues.....	94.16	90.38	3.78	4.18

* Revenue excludes mail, express, excess baggage, other passenger-train and milk.

† Revenue includes mail, express, excess baggage, other passenger-train and milk.

—Decrease

TRAIN, LOCOMOTIVE AND CAR MILES

CLASS		1956	1955	Increase or —Decrease
TRAIN MILES				
801	Freight.....	195,816	169,028	26,788
802	Passenger.....	188,442	157,405	31,037
Total Revenue Service Train Miles.....		384,258	326,433	57,825
805	Non-Revenue Service Train Miles.....	390	122	268
TOTAL TRAIN MILES.....		384,648	326,555	58,093
LOCOMOTIVE MILES				
811	Freight—Principal.....	195,816	169,028	26,788
	Freight—Helper.....	245,577	194,426	51,151
	Freight—Light.....		10	—10
812	Passenger—Principal.....	188,442	157,405	31,037
	Passenger—Helper.....	193,563	162,352	31,211
	Passenger—Light.....	13,404	11,220	2,184
815	Switching—Train.....	54,705	56,764	—2,059
816	Switching—Yard—Freight.....	16,200	15,516	684
Total Revenue Locomotive Miles.....		907,707	766,721	140,986
817	Non-Revenue Locomotive Miles.....	390	122	268
TOTAL LOCOMOTIVE MILES.....		908,097	766,843	141,254
FREIGHT CAR MILES				
821	Freight Loaded.....	5,605,411	4,833,909	771,502
	Freight Empty.....	2,262,926	1,913,620	349,306
	System Caboose.....	183,600	239,114	—55,514
Total Freight Car Miles.....		8,051,937	6,986,643	1,065,294
PASSENGER CAR MILES				
822	Passenger Coaches.....	474,612	447,371	27,241
	Sleeping and Parlor Cars.....	539,676	456,571	83,105
	Club, Lounge, Dining and Observation.....	126,113	103,112	23,001
	Business.....	4,616	4,956	—340
	Mail, Express and Baggage.....	786,329	641,935	144,394
	Combination Passenger and Baggage.....	62,329	51,301	11,028
	Passenger Car Miles in Freight Trains.....	105		105
Total Passenger Car Miles.....		1,993,780	1,705,246	288,534
Total Revenue Car Miles.....		10,045,717	8,691,889	1,353,828
825	Non-Revenue Service Car Miles.....	1,403	432	971
TOTAL CAR MILES.....		10,047,120	8,692,321	1,354,799

—Minus

INVESTMENT IN ROAD, EQUIPMENT AND GENERAL FOR THE YEAR ENDED DECEMBER 31, 1956

ROAD		Additions	Retirements	Net Totals
1	Engineering.....	\$ 548.80		\$ 548.80
2	Land for transportation purposes.....		\$ 342.07	—342.07
3	Grading.....	4,818.29	776.57	4,041.72
6	Bridges, Trestles, and Culverts.....	1,411.59	160.77	1,250.82
8	Ties.....	8,335.90	2,474.73	5,861.17
9	Rails.....	14,310.06	950.20	13,359.86
10	Other track material.....	36,498.89	1,261.82	35,237.07
11	Ballast.....	2,991.21	263.58	2,727.63
12	Track laying and surfacing.....	6,767.98	766.50	6,001.48
16	Station and office buildings.....		213.39	—213.39
17	Roadway Buildings.....		3,765.95	—3,765.95
27	Signals and interlockers.....	7,586.27	1,345.89	6,240.38
39	Public improvements—Construction.....	1,434.01	60.15	1,373.86
Total expenditures for road.....		\$ 84,703.00	\$ 12,381.62	\$ 72,321.38
EQUIPMENT				
52	Other Locomotives.....	\$ 46,504.62		\$ 46,504.62
53	Freight-train cars.....	671,555.10	\$ 214,899.55	456,655.55
54	Passenger Train Cars.....		86,444.27	—86,444.27
57	Work Equipment.....	2,502.89		2,502.89
58	Miscellaneous equipment.....	7,982.91	1,370.00	6,612.91
Total expenditures for equipment.....		\$ 728,545.52	\$ 302,713.82	\$ 425,831.70
GENERAL				
Expenditures for general.....			\$ 2.30	\$ —2.30
Total expenditures for general.....			\$ 2.30	\$ —2.30
Total.....		\$ 813,248.52	\$ 315,097.74	\$ 498,150.78

—Minus

EQUIPMENT

	Locomotives	Freight-Train Cars		Passenger-Train Cars		Work Equipment *		
	Diesel-Electric							
On hand January 1, 1956.....	12		543		30		16½	
Acquired.....	—		82		—		4	
Changed.....	—	12	36	661	—	30	—	20½
Withdrawn from Service.....	—		56		5		—	
Changed.....	—	—	36	92	—	5	—	—
On hand December 31, 1956.....		12		569		25		20½

The following table shows the equipment on hand at the close of the past ten years:

	1947	1948	1949	1950	1951	1952	1953	1954	1955	1956
Locomotives:										
Steam.....	20	20	20	17	15	13	9			
Diesel-Electric:										
Freight "A" Units.....				1	1	2	2	2	2	2
Freight or Passenger.....			2	3	7	7	7	7	7	7
Switching.....			2	2	3	3	3	3	3	3
Freight Train Cars.....	541	556	510	505	509	589	564	539	543	569
Passenger-Train Cars.....	25	25	32	31	31	29	30	30	30	25
Work Equipment.....	18½	18½	19½	19½	20½	16½	16½	16½	16½	20½

* Includes one-half interest in Official Car 100.

EQUIPMENT OBLIGATIONS, DECEMBER 31, 1956.

Description and Date	Amount	Unpaid Dec. 31, 1956	Installments Payable	Interest Rate Percent	Final Payment Due or Paid	Matured or Paid During Year 1956
Conditional Sale Agreements:						
December 16, 1950.....	\$ 342,000.00	\$ 142,500.00	Monthly	2.40	Mar. 1, 1961	\$ 34,200.00
June 4, 1951.....	171,000.00	171,000.00	Monthly	2.85	Mar. 1, 1966	None
April 1, 1952.....	92,000.00	43,700.00	Quarterly	2.75	Aug. 1, 1961	9,200.00
October 1, 1952.....	413,100.00	295,035.00	Monthly	3.00	Oct. 19, 1967	27,234.00
September 1, 1955.....	151,800.00	111,320.00	Quarterly	3.25	Nov. 1, 1967	10,120.00
February 15, 1956.....	87,360.00	81,536.00	Monthly	3.25	May 1, 1966	5,824.00
February 15, 1956.....	74,614.98	67,145.76	Monthly	3.25	July 1, 1961	7,469.22
February 15, 1956.....	146,208.81	146,208.81	Monthly	3.35	July 1, 1971	None
February 15, 1956.....	80,874.75	68,733.72	Monthly	3.25	Apr. 1, 1961	12,141.03
February 15, 1956.....	161,726.40	161,726.40	Monthly	3.35	Apr. 1, 1971	None
Total.....	\$ 1,720,684.94	\$ 1,288,905.69				\$ 106,188.25

